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Japan

Livestock and Products Annual

2011 Japan Market Situation Update and 2012 Outlook

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Report Highlights:
From January to June 2011, American beef imports surged up 50 percent from the previous year, testifying to Japan's strong demand. Japan's overall beef market consumption is expected to improve from the previous year's slump in 2012 as consumer anxieties over food safety incidents (E-coli poisoning and cesium detection in beef) subside and the distribution of domestic beef is normalized. The pork market is expected to sustain a relatively high level consumption. However, the anticipated recovery of domestic pork production is expected to curtail the import outlook for the year.

Commodities:

Animal Numbers, Cattle
Meat, Beef and Veal
Animal Numbers, Swine
Meat, Swine

Production, Supply and Demand Data Statistics:

Live Cattle PS&D Table

Animal Numbers, Cattle Japan	2010		2011		2012		
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Total Cattle Beg. Stks	4,376	4,376	4,280	4,230		4,150	(1000 HEAD)
Dairy Cows Beg. Stocks	830	830	825	805		800	(1000 HEAD)
Beef Cows Beg. Stocks	675	675	670	668		660	(1000 HEAD)
Production (Calf Crop)	1,360	1,359	1,350	1,340		1,330	(1000 HEAD)
Intra-EU Imports	0	0	0	0		0	(1000 HEAD)
Other Imports	16	16	17	12		15	(1000 HEAD)
Total Imports	16	16	17	12		15	(1000 HEAD)
Total Supply	5,752	5,751	5,647	5,582		5,495	(1000 HEAD)
Intra EU Exports	0	0	0	0		0	(1000 HEAD)
Other Exports	0	0	0	0		0	(1000 HEAD)
Total Exports	0	0	0	0		0	(1000 HEAD)
Cow Slaughter	546	546	545	535		530	(1000 HEAD)
Calf Slaughter	8	9	10	10		10	(1000 HEAD)
Other Slaughter	663	663	655	650		640	(1000 HEAD)
Total Slaughter	1,217	1,218	1,210	1,195		1,180	(1000 HEAD)
Loss	255	303	157	237		215	(1000 HEAD)
Ending Inventories	4,280	4,230	4,280	4,150		4,100	(1000 HEAD)
Total Distribution	5,752	5,751	5,647	5,582		5,495	(1000 HEAD)
CY Imp. from U.S.	0	0	0	0		0	(1000 HEAD)
CY. Exp. to U.S.	0	0	0	0		0	(1000 HEAD)

Live Swine PS&D Table

Animal Numbers, Swine Japan	2010		2011		2012		
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Total Beginning Stocks	10,000	10,000	9,800	9,768		9,800	(1000 HEAD)
Sow Beginning Stocks	930	930	920	901		915	(1000 HEAD)
Production (Pig Crop)	17,500	17,500	17,400	17,000		17,300	(1000 HEAD)
Intra-EU Imports	0	0	0	0		0	(1000 HEAD)
Other Imports	1	1	1	1		1	(1000 HEAD)
Total Imports	1	1	1	1		1	(1000 HEAD)
Total Supply	27,501	27,501	27,201	26,769		27,101	(1000 HEAD)
Intra EU Exports	0	0	0	0		0	(1000 HEAD)
Other Exports	0	0	0	0		0	(1000 HEAD)
Total Exports	0	0	0	0		0	(1000 HEAD)
Sow Slaughter	0	0	0	0		0	(1000 HEAD)
Other Slaughter	16,788	16,788	16,700	16,270		16,600	(1000 HEAD)
Total Slaughter	16,788	16,788	16,700	16,270		16,600	(1000 HEAD)
Loss	913	945	601	699		651	(1000 HEAD)
Ending Inventories	9,800	9,768	9,900	9,800		9,850	(1000 HEAD)
Total Distribution	27,501	27,501	27,201	26,769		27,101	(1000 HEAD)
CY Imp. from U.S.	0	0	0	0		0	(1000 HEAD)
CY. Exp. to U.S.	0	0	0	0		0	(1000 HEAD)

Beef and Veal PS&D Table

Meat, Beef and Veal Japan	2010	2011	2012	
	Market Year Begin:	Market Year Begin:	Market Year Begin:	

	Jan 2010		Jan 2011		Jan 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Slaughter (Reference)	1,217	1,218	1,210	1,195		1,180	(1000 HEAD)
Beginning Stocks	119	119	129	129		151	(1000 MT CWE)
Production	514	515	510	505		500	(1000 MT CWE)
Intra-EU Imports	0	0	0	0		0	(1000 MT CWE)
Other Imports	721	721	725	725		725	(1000 MT CWE)
Total Imports	721	721	725	725		725	(1000 MT CWE)
Total Supply	1,354	1,355	1,364	1,359		1,376	(1000 MT CWE)
Intra EU Exports	0	0	0	0		0	(1000 MT CWE)
Other Exports	1	1	0	0		1	(1000 MT CWE)
Total Exports	1	1	0	0		1	(1000 MT CWE)
Human Dom. Consumption	1,224	1,225	1,236	1,208		1,233	(1000 MT CWE)
Other Use, Losses	0	0	0	0		0	(1000 MT CWE)
Total Dom. Consumption	1,224	1,225	1,236	1,208		1,233	(1000 MT CWE)
Ending Stocks	129	129	128	151		142	(1000 MT CWE)
Total Distribution	1,354	1,355	1,364	1,359		1,376	(1000 MT CWE)
CY Imp. from U.S.	102	129	0	154		161	(1000 MT CWE)
CY. Exp. to U.S.	0	0	0	0		0	(1000 MT CWE)

Pork PS&D Table

Meat, Swine Japan	2010		2011		2012		
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Slaughter (Reference)	16,788	16,788	16,700	16,270		16,600	(1000 HEAD)
Beginning Stocks	217	217	220	218		202	(1000 MT CWE)
Production	1,291	1,292	1,285	1,255		1,280	(1000 MT CWE)
Intra-EU Imports	0	0	0	0		0	(1000 MT CWE)
Other Imports	1,198	1,207	1,210	1,235		1,222	(1000 MT CWE)
Total Imports	1,198	1,207	1,210	1,235		1,222	(1000 MT CWE)
Total Supply	2,706	2,716	2,715	2,708		2,704	(1000 MT CWE)
Intra EU Exports	0	0	0	0		0	(1000 MT

							CWE)
Other Exports	1	1	0	0		1	(1000 MT CWE)
Total Exports	1	1	0	0		1	(1000 MT CWE)
Human Dom. Consumption	2,485	2,497	2,497	2,506		2,501	(1000 MT CWE)
Other Use, Losses	0	0	0	0		0	(1000 MT CWE)
Total Dom. Consumption	2,485	2,497	2,497	2,506		2,501	(1000 MT CWE)
Ending Stocks	220	218	218	202		202	(1000 MT CWE)
Total Distribution	2,706	2,716	2,715	2,708		2,704	(1000 MT CWE)
CY Imp. from U.S.	527	523	0	540		533	(1000 MT CWE)
CY. Exp. to U.S.	0	0	0	0		0	(1000 MT CWE)

2011 Livestock Annual – Author Notes

Preface

Previous semiannual outlook numbers for 2011 have been adjusted to reflect first half data for annual cattle (beef) and swine (pork) production, trade and monthly ending stocks, and year beginning livestock inventory publicized by the government. (See JA1005 dated March 4, 2011, Japan Livestock Semiannual Report)

In compiling the demand and supply outlook and forecast numbers for CY 2012, Post applied the following assumptions:

- No changes to Japan's Export Verification (EV) Program for U.S. beef, thus continuing to limit the market access for U.S beef

- A lack of positive income growth, keeping average consumers to remain low-price seeking

Quantities listed in the text are made on the basis of Carcass Weight Equivalent – CWE (unless specified otherwise). Some numbers in the inserted tables are on a product weight basis and have not been converted to CWE.

Rates of conversion from product weight to CWE are:
Beef Cuts (Boneless) – 1.40
Pork Cuts (Boneless) – 1.30
Processed/Prepared Beef Products – 1.79
Processed/Prepared Pork Products – 1.30

Executive Summary

The beef market will remain a difficult environment for high priced domestic beef. Overall market consumption in 2012 is expected to improve from the previous year's slump as market anxieties over several food safety incidents (E-coli poisoning and cesium detection in beef) subside and the distribution of domestic beef is normalized after the disruption from the March 2011 Earthquake. While the total imports of beef cuts for 2012 are projected to remain constant with the previous year at 707,000 MT, a strong market preference for affordably priced grain fed beef is supporting a modest growth outlook for American imports, projected up by only five percent.

In 2012, the pork market is expected to sustain a relatively high level consumption. The anticipated recovery of domestic pork production is expected to curtail the import outlook for the year, projected slightly down to 1.222 million MT especially affecting the chilled pork trade. Although imports from the United States are also projected lower, it will retain its sizable share as Japan's top pork supplier for both pork cuts and the prepared and processed products.

2012 Beef Market Outlook (New)

- Domestic Beef Production to Lower Slightly in 2012

By the end of 2012, Japanese cattle farmers are expected to resume normal operations after the challenges caused both by the earthquake and tsunami that occurred in the Tohoku and Kanto regions in March 2011 (See note at the bottom of this section). However, the continued decline in the number of beef calves born for the past couple of years is still pointing towards a slightly lower level than the previous year's cattle slaughter, and therefore the beef production number for the year is projected down by one percent to 500,000 MT (or total slaughter of 1.18 million heads). In addition, the continued exit out of cattle farms, shrinking dairy operations, and aging farming cattle growers who lack successors, particularly for small scale Wagyu cow calf rearing operations, will remain as medium and long term supply constraints.

- Modest Total Beef Consumption Recovery Projected for 2012

Japanese total beef consumption in 2012 is expected to increase from its 2011 decline to recover to 2.233 million MT, a two percent increase from the previous year. This projected increase will primarily be achieved by increased distribution of domestic beef as the previous year's carried over stocks run down.

No significant economic growth is expected in 2012, thus the market will generally remain difficult for high priced food items, including Wagyu beef. A real challenge that the market will face appears to be how to enhance the supply of more affordably priced medium grade grain fed beef in order to improve the overall consumption environment toward a genuine recovery. With the current production and market structure, it appears hard for domestic beef cattle farmers to shift their long held fattening practices of producing highly fat marbled and high value beef in order to meet the potential demand for medium grade beef. Therefore, prospective import demand for grain fed beef seems to be great in 2012. The legitimate constraint will be limited market access due to Japan's continued imposition of the EV program for American beef.

Due to the above challenges faced by Japan, the market demand for American grain fed cuts has been growing in recent years, partially assisted by a strong JP Yen against the U.S. dollar, as well as greater marketing efforts by the U.S. Meat Export Federation (USMEF) and its Japanese end user clients to restore consumer confidence. Increasing numbers of retailers and food service companies have reportedly been resuming sales of American beef for the past several years. This trend will most likely continue in 2012. Market anxieties due to recent food safety concerns caused by a series of incidents (such as food poisoning caused by E-coli tainted raw beef dish and cesium detection in beef) are not expected to be carried through to 2012 since various risk mitigation measures taken by the government appear to be working effectively.

- Total Imports to Stay Flat in 2012

Japan's total beef imports are projected to roughly sustain last year's level at 725,000 MT (Beef Cuts: unchanged at 707,000 MT, Processed and Prepared Products: unchanged at 18,000 MT). Following last year's trend, American beef is expected to continue its inroads into the market (projected up by five percent to 161,000 MT) in 2012, despite the EV access limitation. For this to occur, a slight decrease in currently predominant Aussie beef for 2012 is projected with its share in total beef imports (total beef cuts) slipping slightly to 66 percent. This projection is fairly preliminary since it is uncertain at this time if the 2012 pricing situation will continue to favor American beef, as in the previous year. If Asian demand for beef continues to grow, 2012 international beef prices could strengthen further which would in turn make the availability of low-priced grain fed cuts preferred in this market somewhat tight due to competition.

(Note: The major issue for both the government and the affected livestock growers and industry was to promptly secure the feed supply for the devastated regions. At the end of June 2011, production and distribution of formula mixed feeds in the country have reportedly recovered close to their average year level. Partially incapacitated feed mills/grain elevators located in the Pacific coastal area have been repaired and are back in operation, except for those that were completely destroyed. A back-up feed supply for the affected region has been quickly secured by restoring the transportation infrastructure as well as diverting distribution channels to bring needed feeds from other regions.

A major food poisoning incident in a raw-beef dish occurred in May 2011, killing several people, including children, and hospitalizing others. The incident caused the sales of many barbecue chains in the country to fall temporarily.

While the effects of the above incident continue to linger, cesium detection in beef in July became the major food safety issue of the year, creating widespread public concern, which caused overall beef consumption in the country to slump. Unfortunately, the incident occurred just as the livestock sector in the earthquake devastated regions had begun returning to their normal operations.

The first Fukushima cattle incident was detected by the government's regular radiation monitoring on foods. Further tracing (by using the individual cattle I.D. traceability system) and testing revealed that relatively large numbers of cattle had actually been fed with contaminated rice straw. As of August 24, over 4,400 heads were found to have been sent for slaughter and already sold, including some which was consumed. This has caused immense public anxiety and confusion in the market, specifically about the testing of animals. Of the above total, beef (or carcasses) from over 1,000 heads have been tested and only 74 heads were found to be contaminated with cesium exceeding the government's permissible level for foods (500 Bq/kg). Cattle fed with contaminated rice straw have so far been found in 15 prefectures, including those in the Tohoku and Kanto regions. This is mainly due to the fact that contaminated rice straw was either produced locally and fed to animals within the prefecture or marketed to cattle farms in other prefectures through rice straw distributers. A majority of the contaminated straw-fed animals were shipped from four prefectures (Miyagi, Fukushima, Iwate, and Tochigi) in the Tohoku and Kanto regions. In July, the government placed these four prefectures under a temporary shipment suspension order, but on August 25, lifted this suspension based on a testing plan and feed control measure by each prefecture. Beef cattle raised in these four prefectures represented about 13 percent of Japan's total 1.22 million heads shipped for slaughter in 2009. Although blanket testing is not mandated, many of the affected prefectures, as well as individual business entities (retails, food services) are reported to be initially arranging the screening and testing of beef for radiation at slaughter facilities and at distribution before shipment and sales.

These actions, despite questions on feasibility and actual necessity, are primarily in response to extreme marketing difficulties. However, the testing protocol announced by the four prefectures were more in line with a guideline recommended by the Ministry of Heath to test all animals that were raised on farms that used contaminated rice straw and to test at one animal per farm, if raised on farms that did not use contaminated rice straw.

The measures introduced by Ministry of Agriculture and Forestry and Fisheries (MAFF) in response to the incident so far are: as a primary response, tracing, testing and segregating beef/carcasses from animals fed with contaminated rice straws from the market, and baring all storage and handling costs to the meat industry; and as a secondary response, assisting each prefecture's plan for radiation testing, baring costs incurred by prefectural meat council to buyout live animals coming to finishing age in the above four suspended prefectures (at an artificial average wholesale carcass auction price prevailed before the earthquake), providing low interest loans for cattle farmers to arrange extra feeding costs, and paying a lump sum of JP Yen 50,000 per head to all cattle farms in the 15 prefectures. All costs of this repayment program, currently estimated to be over JP 80 billion Yen, are to be paid later by the Tokyo Electric Power Company, owner of the Fukushima Daiichi Nuclear Power Plant which was responsible for the amounts of radioactive materials that contaminated the Kanto and Tohoku regions.

2011 Beef Market Situation Update and Revised Outlook (New)

- Food Poisoning Incident and Cesium Detection in Beef to Cause Consumption Slump in 2011

The positive consumption outlook for beef, projected at one percent growth in the last semiannual report (JA1005 dated March 4, 2011), has been reversed due to a series of food safety incidents in domestic product. These incidents practically turned this year's outlook negative, especially in the second half (see detailed note at the bottom of the previous 2012 outlook section). The nuclear accident at the Fukushima Daiichi Nuclear Power Plant led to radiation contamination in a wide variety of field-grown vegetables and fruits, pasture for fodder, milk, and beef. A July detection of cesium in domestic beef has temporarily put Japan's beef consumption, both domestic, as well as imported, into an overall slump. With growing market anxieties prevailing since the July detection, it is increasingly likely that Japan's annual total beef consumption in 2011 will slip slightly from the previous year, and is now projected down by one percent to an estimated 1.208 million MT. For January – June, Japanese household consumption of beef was flat (See supplement table I-a, and I-b). Food service demand for beef was reportedly lethargic as consumers refrained from eating out after the earthquake. Also, sales of barbecue chains reportedly dipped over the May food poisoning incident. Consequently, market prices of domestic beef have weakened and monthly ending stocks have reportedly been on the rise in the second half, which made Post's estimate of this year's ending stock to climb, up by 17 percent from the year beginning at 151,000 MT (See supplement table III-a, IV-a).

- Total Domestic Beef Production to Decline in 2011

A slight decline previously forecasted for Japan's total beef production (down one percent) has now been revised and reduced even further, with a projected fall of two percent to 505,000 MT (or total slaughter of 1.195 million heads). Reduced cattle coming to finishing age and stalled shipments of cattle for slaughter in the incident-affected regions since July were taken into account for this revision. Recently publicized livestock inventory data by MAFF is also suggesting that Japan's beef cattle sector will continue to contract, marking a four percent drop for the number of beef cattle raised at the year beginning of 2011 at 2.763 million heads (See supplement table VI).

- Total Imports to Rise Only Modestly in 2011

For 2011, Japan's total beef imports are projected to grow only by one percent from the previous year to 725,000 MT mainly capped by a slowdown in overall consumption and soaring import prices (Beef Cuts: up by one percent to 707,000 MT, and Prepared/Processed Products, down by 17 percent to 18,000 MT).
According to several trade sources, a specific issue with imports is more to do with soaring import prices, therefore a possible slowdown may occur in the second half of 2011 which could effectively erase the first half gain. For January – June in 2011, Japanese beef imports (total beef cuts) rose five percent from a year before to 336,354 MT. American beef surged, up 50 percent from last year, to 87,856 MT (average CIF price, up a modest six percent at USD 5,710 per MT) while Aussie beef fell five percent at 224,337 MT (average CIF price, up 15 percent at USD 5,036 per MT compared to the same period last year). Aussie beef prices have been increasing since 2010 and soared further in the first half of 2011 (See table 1, table 2-a, 2-b, 2-c, 2-d and 2-e). Although cheaper than American imports, current Australian offers have not been attractive to Japanese importers who claim that the price level does not match the quality offered.

On an annual basis, it appears difficult for American beef in 2011 to sustain the pace it achieved in the first half, which was reportedly affected by rising U.S. offer prices, coupled with lower availability of EV qualified cattle for Japan (20 months of age or below) that occurs for the Fall and Winter seasons.
Post is projecting Japanese imports of American beef in 2011 to grow by roughly 20 percent, reaching a 2006 record of 154,000 MT with its share expanded to 22 percent, a four percent gain from the previous year.
However, due to the earlier-mentioned concerns on offer versus quality, Japanese imports of Aussie beef in 2011 are projected down by three percent to 476,000 MT with its share in the total imports (total beef cuts) to slip by three points to 67 percent.

Not reflected in the PS&D table, Japan's first half edible offal imports (tongue, liver, and intestines) also outpaced the previous year level, up 18 percent with the imports from the United States jumping by 47 percent. However, these offal imports are expected to slow in the second half partially affected by the sales slowdown occurring in the barbecue restaurant chains.

2012 Pork Market Outlook (New)

- Rebounding Domestic Pork Supply to Modestly Cut Imports in 2012

Japan's total pork consumption in 2012 is projected to hold steady at a relatively high level. However, an improved beef market outlook may become a factor, trimming pork consumption slightly in 2012, thus the level is projected marginally lower from the previous year at 2.501 million MT given relatively stable demand projected in the household, food service, and processing sectors.
Total pork production in 2012 is projected up by two percent to 1.28 million MT (or total slaughter of 16.6 million heads) rebounding from the decline that was forecasted for the previous year, reflecting the rebuilding of

sow inventories in major swine production regions, namely Kyushu, Kanto, and Tohoku (See the 2011 Situation Summary and Revised Outlook Section), where 60 percent of the nation's hogs are raised.

However, in 2012, this anticipated increase of domestic pork supply is expected to curtail imports, which is projected down by one percent from the previous year to 1.222 million MT (Pork Cuts: down by one percent to one million MT and Prepared/Processed Products: unchanged at 221,000 MT). Increased distribution of domestic pork cuts priced lower than last year will likely give a better presence to fresh domestic cuts, recapturing some of its retail share lost to the imported chilled cuts, possibly impacting the sales of American and Canadian chilled cuts in 2012.

The United States will stay as Japan's top pork supplier claiming an estimated share in the total imports at 39 percent (pork cuts) and at 65 percent (prepared and processed products, mostly seasoned ground pork), which were unchanged from the previous year.

2011 Pork Market Situation Update and Revised Outlook (New)

- High Level Demand for Pork to Continue in 2011

At this time, the market situation suggests another good year for pork in 2011. The total consumption estimate is raised slightly from Post's previous semiannual outlook forecast and is now projected to reach a seven year high of 2.50 million MT. This projected increase is largely based on a modest rise in anticipated Japanese retail demand for pork, particularly helped by modest growth in the household consumption of pork, as well as processed products which are expected to sustain through the year while holding food service and processing utilization relatively constant.

More Japanese retail and food service users have been turning to imported chilled cuts as an alternative source of supply due to the reduced distribution of domestic fresh/chilled cuts that occurred in the first half of 2011. For Jan. – Jun of 2011, Japanese household consumption of pork and processed products were; pork (up three percent), ground meat (unchanged), ham (up three percent), sausage (down two percent) and bacon (up three percent), beef (unchanged), chicken (down seven percent). The latest manufacturing data for first half processed meat product production was reportedly up 1.5 percent. No positive outlook has been generated from the sluggishly performing food service sector which has been hard hit by the continued economic slump, as well as the earthquake (See supplement tables I-a, I-b). With the reported overall consumption slowdown for red meat and poultry (broiler meat) entering into the second half of the year, the above gain for first half total consumption could be moderately offset on an annual basis. USMEF promotion activities have been effective in educating Japanese users/consumers to the appealing and competitive qualities of American chilled pork.

- Domestic Pork Outputs to Lower, Resulting in Higher Prices in 2011

In this report, Post's previous projection for slightly lower national pork outputs in 2011 made in the last semiannual report has been revised and is now projected to be even lower, down by three percent to 1.255 million MT. The above revision is based on recently publicized sow inventory data by MAFF, which was also down at the same rate of 901,000 heads. The number of hogs raised in the nation at the year's beginning was also down at

8.186 million heads (See supplement table VI). The above registered decline in the national sow and hog inventory data is attributed to the following factors; i.e. 1) reduced farrowing rate negatively affected by a long and severe hot summer in 2010, 2) slower than anticipated recovery of swine inventories in the Miyazaki prefecture, the nation's second largest hog producing state, after the massive Foot and Mouse Disease (FMD) outbreak in 2010, and 3) temporarily stalled hog production and slaughter in the Tohoku and Kanto regions due to the earthquake this year. In the Tokyo market, tight supplies of domestic pork have caused average wholesale market prices of domestic hog carcasses to strengthen during the first half (Excellent grade - up eight percent at JP Yen 486, Medium grade: up 10 percent at JP Yen 450). Likewise, wholesale prices of pork cuts have been higher than the last year, making already low-priced imported chilled cuts even more competitive and attractive, partially eroding the predominant share held by domestic fresh cuts in the retail sector (See supplement tables V-a, V-b).

- Imported Chilled Pork to Increase Market Presence in 2011

The prevailing situation has been providing a good market opportunity for the United States and Canada, two major chilled pork suppliers to Japan, to advance their share and presence. On the other hand, Japan's processing demand for imported frozen raw material cuts, are expected not to be significantly high for the previous six months and instead, processing demand has been met by existing stock run down (See supplement table III-b).

Based on the above information and first half results, Japan's total pork imports in 2011 are projected to grow by two percent from last year to reach around 1.235 million MT (Pork Cuts: up four percent to 1.014 million MT, and Prepared and Processed Products: down three percent to 221,000 MT). Moderately lower year ending stocks are also forecasted, down by seven percent to an estimated 202,000 MT. For Jan. – Jun, total pork imports were up three percent from the previous year at 512,703 MT (Chilled cuts: up 12 percent at 163,023 MT, Frozen Cuts: down two percent at 349,681 MT). Imports of prepared and processed products in the same period were up only one percent at 110,258 MT. However, not reflected in the PS&D table, Japan's fast growing sausage imports in recent years appears to have slowed in the first half, down one percent at 20,992 MT on customs clearance basis, most probably affected by the sluggish food service performance (See table 3-a, 3-b, 3-c, 3-d and table 4). While appreciating the first half result, trade sources are predicting that the growth pace of chilled cuts may not hold with a surplus risk and market price deterioration in case the current level import exceeding 20,000 MT per month were to last. For specific products, loin items are estimated to be already somewhat oversupplied and belly is in short supply and has good demand.

Table 1: Australian Beef Exports to Japan

					Unit: Metric Ton (Shipped Weight Basis)		
Annual	2009	2010	% Chg	2010 Share	2010	2011	2010
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/July	Jan/July	Jan/July
Chilled Beef	**168,928**	**155,536**	**-8%**	**100%**	**91,316**	**80,267**	**-12%**
Grass	55,217	51,775	-6%	**33%**	31,746	27,381	**-14%**
Grain fed	113,711	103,761	-9%	**67%**	59,570	52,886	**-11%**
Frozen Beef	**187,638**	**200,675**	**7%**	**100%**	**113,054**	**110,215**	**-3%**
Grass	146,162	150,074	3%	**75%**	86,743	80,874	**-7%**
Grain fed	41,476	50,601	22%	**25%**	26,311	29,341	**12%**
TOTAL	**356,566**	**356,211**	**0%**	**100%**	**204,370**	**190,483**	**-7%**
Grass	201,379	201,850	0%	**57%**	118,489	108,255	**-9%**
Grain fed	155,187	154,362	-1%	**43%**	85,881	82,227	**-4%**
Source: Meat Livestock Australia (Compiled by post)							

Table 2-a): Japanese Beef Imports, Chilled and Frozen Combined YTD

Annual Series: 2006 - 2010, Year To Date: 06/2010 & 06/2011									
Quantity									
Partner Country	Unit	Calendar Year					Year To Date		
		2008	2009	2010	% Change	2010 Share (%)	06/2010	06/2011	%Change
World	MT	458,024	481,136	499,531	3.8%	100%	228,447	240,253	5.2%
Australia	MT	358,229	363,907	351,118	-3.5%	70%	168,547	160,241	-4.9%
United States	MT	54,109	69,192	91,618	32.4%	18%	34,539	51,680	49.6%
New Zealand	MT	30,792	29,558	31,584	6.9%	6%	17,235	16,781	-2.6%
Canada	MT	4,712	8,527	12,926	51.6%	3%	3,437	3,303	-3.9%
Mexico	MT	9,341	9,629	11,938	24.0%	2%	4,568	7,998	75.1%
Others	MT	841	323	347	7.4%	0%	121	250	106.6%
Source: Global Trade Atlas									

Table 2-b): Japanese Beef Imports, Chilled Beef Total YTD

Annual Series: 2006 - 2010, Year To Date: 06/2010 & 06/2011 Quantity									
Partner Country	Unit	Calendar Year					Year To Date		
		2008	2009	2010	% Change	2010 Share (%)	06/2010	06/2011	%Change
World	MT	199,485	212,727	211,445	-0.6%	100%	102,243	104,210	1.9%
Australia	MT	159,157	168,577	155,036	-8.0%	73%	76,760	71,439	-6.9%
United States	MT	31,142	34,535	44,130	27.8%	21%	19,392	27,093	39.7%
New Zealand	MT	5,769	6,057	7,316	20.8%	3%	3,745	3,770	0.7%
Canada	MT	2,032	2,472	3,730	50.9%	2%	1,782	1,261	-29.2%
Others	MT	1,385	1,086	1,233	13.5%	1%	564	647	14.7%
Source: Global Trade Atlas									

Table 2-c): Japanese Beef Imports, Frozen Beef Total YTD

Annual Series: 2006 - 2010, Year To Date: 06/2010 & 06/2011 Quantity									
Partner Country	Unit	Calendar Year					Year To Date		
		2008	2009	2010	%Change	2010 Share (%)	06/2010	06/2011	%Change
World	MT	258,540	268,408	288,086	7.3%	100%	126,204	136,042	7.8%
Australia	MT	199,072	195,330	196,082	0.4%	68%	91,788	88,802	-3.3%
United States	MT	22,967	34,658	47,488	37.0%	16%	15,147	24,587	62.3%
New Zealand	MT	25,023	23,501	24,268	3.3%	8%	13,490	13,011	-3.6%
Mexico	MT	7,959	8,543	10,705	25.3%	4%	4,004	7,351	83.6%
Canada	MT	2,680	6,055	9,196	51.9%	3%	1,655	2,042	23.4%
Others	MT	839	321	347	8.1%	0%	120	249	107.5%
Source: Global Trade Atlas									

Table 2-d): Japanese Beef Imports, Prepared and Processed Products YTD

Annual Series: 2006 - 2010, Year To Date: 06/2010 & 06/2011 Quantity									
Partner Country	Unit	Calendar Year					Year To Date		
		2008	2009	2010	%Change	2010 Share (%)	06/2010	06/2011	%Change
World	MT	9,883	12,901	11,995	-7.0%	100%	5,970	6,113	2.4%
Australia	MT	4,335	5,802	5,677	-2.2%	47%	2,892	2,839	-1.8%

Brazil	MT	2,500	4,393	2,994	-31.8%	25%	1,656	1,440	-13.0%
China	MT	1,514	1,831	2,525	37.9%	21%	1,036	1,497	44.5%
New Zealand	MT	1,189	614	498	-18.9%	4%	235	225	-4.3%
Others	MT	345	261	301	15.3%	3%	151	112	-25.8%
Source: Global Trade Atlas									

Table 2-e): Japanese Beef Imports, Edible Meat and Offal (Liver, Tongue, and Intestines)

Annual Series: 2006 - 2010, Year To Date: 06/2010 & 06/2011									
Quantity									
Partner Country	Unit	Calendar Year					Year To Date		
		2008	2009	2010	%Change	2010 Share (%)	06/2010	06/2011	%Change
World	MT	35,259	38,454	41,763	8.6%	100%	18,155	21,405	17.9%
Australia	MT	19,102	19,942	18,504	-7.2%	44%	8,336	8,923	7.0%
United States	MT	7,162	9,723	13,899	42.9%	33%	5,324	7,814	46.8%
New Zealand	MT	4,373	4,255	3,839	-9.8%	9%	2,254	2,202	-2.3%
Mexico	MT	2,212	1,791	2,335	30.4%	6%	1,071	1,293	20.7%
Canada	MT	912	1,741	2,146	23.3%	5%	633	745	17.7%
Others	MT	1,498	1,002	1,040	3.8%	2%	537	428	-20.3%
Source: Global Trade Atlas									

Table 3-a): Japanese Pork Imports, Chilled and Frozen Combined YTD

Annual Series: 2006 - 2010, Year To Date: 06/2010 & 06/2011 Quantity									
Partner Country	Unit	Calendar Year					Year To Date		
		2008	2009	2010	%Change	2010 Share (%)	06/2010	06/2011	%Change
World	MT	817,691	702,938	753,027	7.1%	100%	383,094	394,387	2.9%
United States	MT	336,993	288,667	298,347	3.4%	40%	154,189	163,028	5.7%
Canada	MT	174,686	172,373	178,648	3.6%	24%	97,859	83,469	-14.7%
Denmark	MT	159,784	122,923	133,586	8.7%	18%	65,694	64,761	-1.4%
Mexico	MT	56,551	43,684	40,855	-6.5%	5%	19,750	18,536	-6.1%
Chile	MT	23,777	26,172	24,507	-6.4%	3%	12,036	14,255	18.4%
Hungary	MT	10,206	10,094	21,003	108.1%	3%	9,643	8,666	-10.1%
Spain	MT	16,102	7,871	14,556	84.9%	2%	5,956	12,080	102.8%
France	MT	7,205	8,023	11,416	42.3%	2%	5,870	6,272	6.8%
Netherlands	MT	10,089	9,397	7,914	-15.8%	1%	3,908	3,131	-19.9%
Austria	MT	8,116	5,082	7,547	48.5%	1%	2,197	4,698	113.8%
Ireland	MT	3,511	939	5,107	443.9%	1%	1,649	5,315	222.3%
Others	MT	10,671	7,713	9,541	23.7%	1%	4,343	10,176	134.3%
Source: Global Trade Atlas									

Table 3-b): Japanese Pork Imports, Chilled Pork Total YTD

Annual Series: 2006 - 2010, Year To Date: 06/2010 & 06/2011									
Quantity									
Partner Country	Unit	Calendar Year					Year To Date		
		2008	2009	2010	%Change	2010 Share (%)	06/2010	06/2011	%Change
World	MT	267,968	233,738	231,365	-1.0%	100%	112,220	125,402	11.7%
United States	MT	188,454	169,935	167,203	-1.6%	72%	81,430	90,537	11.2%
Canada	MT	63,904	52,860	54,434	3.0%	24%	25,845	30,229	17.0%
Mexico	MT	14,928	10,640	9,397	-11.7%	4%	4,784	4,510	-5.7%
Others	MT	682	303	331	9.2%	0%	161	126	-21.7%

Source: Global Trade Atlas

Table 3-c): Japanese Pork Imports, Frozen Pork Total YTD

Annual Series: 2006 - 2010, Year To Date: 06/2010 & 06/2011 Quantity									
Partner Country	**Unit**	**Calendar Year**					**Year To Date**		
		2008	**2009**	**2010**	**%Change**	**2010 Share (%)**	**06/2010**	**06/2011**	**%Change**
World	MT	549,723	469,200	521,662	11.2%	100%	270,875	268,985	-0.7%
Denmark	MT	159,703	122,923	133,513	8.6%	26%	65,694	64,761	-1.4%
United States	MT	148,539	118,731	131,144	10.5%	25%	72,759	72,491	-0.4%
Canada	MT	110,782	119,513	124,214	3.9%	24%	72,013	53,240	-26.1%
Mexico	MT	41,623	33,043	31,458	-4.8%	6%	14,966	14,026	-6.3%
Chile	MT	23,777	26,172	24,507	-6.4%	5%	12,036	14,244	18.3%
Hungary	MT	10,206	10,094	21,003	108.1%	4%	9,643	8,666	-10.1%
Spain	MT	16,054	7,841	14,531	85.3%	3%	5,941	12,065	103.1%
France	MT	7,173	8,006	11,397	42.4%	2%	5,860	6,260	6.8%
Netherlands	MT	10,089	9,397	7,914	-15.8%	2%	3,908	3,131	-19.9%
Austria	MT	8,116	5,082	7,547	48.5%	1%	2,197	4,698	113.8%
Ireland	MT	3,511	939	5,107	443.9%	1%	1,649	5,315	222.3%
Poland	MT	3,644	2,786	3,792	36.1%	1%	1,610	8,047	399.8%
Others	MT	6,506	4,673	5,535	18.4%	1%	2,599	2,041	-21.5%
Source: Global Trade Atlas									

Table 3-d): Japanese Pork Imports, Prepared and Processed Products YTD

Annual Series: 2006 - 2010, Year To Date: 06/2010 & 06/2011 Quantity									
Partner Country	**Unit**	**Calendar Year**					**Year To Date**		
		2008	**2009**	**2010**	**%Change**	**2010 Share (%)**	**06/2010**	**06/2011**	**%Change**
World	MT	157,308	172,599	168,869	-2.2%	100%	84,385	84,814	0.5%
United States	MT	94,231	111,547	104,274	-6.5%	62%	52,541	55,149	5.0%
China	MT	33,180	27,872	27,815	-0.2%	16%	12,724	11,954	-6.1%
Canada	MT	12,334	14,728	16,572	12.5%	10%	9,283	7,308	-21.3%
Thailand	MT	6,486	5,579	7,362	32.0%	4%	3,397	3,333	-1.9%
Chile	MT	2,417	4,384	4,848	10.6%	3%	2,533	2,778	9.7%
Denmark	MT	4,138	3,368	3,096	-8.1%	2%	1,556	1,896	21.9%
Others	MT	4,522	5,121	4,902	-4.3%	3%	2,351	2,396	1.9%
Source: Global Trade Atlas									

Table 4: Japanese Sausage Imports YTD

Annual Series: 2006 - 2010, Year To Date: 06/2010 & 06/2011 Quantity									
Partner Country	**Unit**	**Calendar Year**					**Year To Date**		
		2008	**2009**	**2010**	**%Change**	**2010 Share (%)**	**06/2010**	**06/2011**	**%Change**
World	MT	36,810	40,735	43,347	6.4%	100%	21,254	20,992	-1.2%
China	MT	20,775	20,645	23,244	12.6%	54%	11,149	10,822	-2.9%
United States	MT	7,786	9,551	8,711	-8.8%	20%	4,576	4,064	-11.2%
Thailand	MT	2,783	5,083	5,425	6.7%	13%	2,638	3,518	33.4%
Others	MT	5,466	5,456	5,967	9.4%	14%	2,891	2,588	-10.5%
Source: Global Trade Atlas									

Supplemental Tables

I-a): Monthly Average Quantities and Expenditures on Meat and Meat Products per Household YTD

	Beef	Pork	Chicken

	Expenditure (JP Yen)		Quantity (gram)		Expenditure (JP Yen)		Quantity (gram)		Expenditure (JP Yen)		Quantity (gram)	
CY 2008	20,885		6,785		25,555		18,305		12,830		12,657	
CY 2009	20,166		7,045		24,790		18,639		12,614		13,649	
% Chg.	-3%		4%		-3%		2%		-2%		8%	
CY 2010	18,965		6,933		23,959		18,501		12,387		13,755	
% Chg.	-6%		-2%		-3%		-1%		-2%		1%	
CY 2011												
Jan.	1,550	-2%	552	-1%	2,072	3%	1,614	5%	1,042	-2%	1,128	-4%
Feb.	1,385	2%	515	-4%	1,980	2%	1,533	0%	932	-8%	1,028	-11%
Mar.	1,448	-5%	571	-2%	2,106	5%	1,650	5%	1,024	-2%	1,148	-2%
Apr.	1,529	5%	566	1%	2,025	5%	1,521	1%	970	-5%	986	-14%
May	1,572	0%	581	0%	2,004	1%	1,523	1%	1,030	2%	1,086	-4%
Jun.	1,478	10%	570	9%	1,963	5%	1,482	3%	993	5%	1,022	-6%
CY 2010 Jan/Jun	8,843		3,339		11,726		9,090		6,099		6,875	
CY 2011 Jan/Jun	8,962		3,355		12,150		9,323		5,991		6,398	
% Chg.	1%		0%		4%		3%		-2%		-7%	

Source: Ministry of Internal Affairs and Communication Bureau (Compiled by Post)

I-b): Monthly Average Quantities and Expenditures on Meat and Meat Products per Household YTD

	Ground Meat				Ham				Sausage			
	Expenditure (JP Yen)		Quantity (gram)		Expenditure (JP Yen)		Quantity (gram)		Expenditure (JP Yen)		Quantity (gram)	
CY 2008	2,041		1,795		5,870		2,887		7,212		5,175	
CY 2009	2,045		1,888		5,670		2,947		7,197		5,324	
% Chg.	0%		5%		-3%		2%		0%		3%	
CY 2010	1,932		1,853		5,618		2,993		7,067		5,434	
% Chg.	-6%		-2%		-1%		2%		-2%		2%	
CY 2011												
Jan.	156	0%	144	-5%	319	1%	175	-1%	523	-3%	402	-5%
Feb.	160	0%	160	0%	299	1%	165	-1%	527	-2%	399	-3%
Mar.	170	1%	163	2%	345	2%	196	8%	599	0%	456	0%
Apr.	170	3%	155	-1%	352	4%	195	5%	608	2%	456	-3%
May	186	7%	174	7%	395	2%	219	4%	632	1%	494	6%
Jun.	173	-1%	167	-3%	454	-1%	264	4%	575	0%	431	-5%
CY 2010 Jan/Jun	998		963		2,138		1,173		3,476		2,687	
CY 2011 Jan/Jun	1,015		963		2,164		1,214		3,464		2,638	
% Chg.	2%		0%		1%		3%		0%		-2%	

	Bacon	
	Expenditure (JP Yen)	Quantity (gram)

CY 2008	2,426		1,369	
CY 2009	2,391		1,379	
% Chg.	-1%		1%	
CY 2010	2,275		1,380	
% Chg.	-5%		0%	
	Bacon			
CY 2011				
Jan.	166	-3%	95	-7%
Feb.	486	163%	114	2%
Mar.	204	0%	132	9%
Apr.	204	7%	123	9%
May	217	9%	131	5%
Jun.	218	15%	133	13%
CY 2010 Jan/Jun	1,140		691	
CY 2011 Jan/Jun	1,495		728	
% Chg.	31%		5%	
Source: Ministry of Internal Affairs and Communication Bureau (Compiled by Post)				

II-a): Japanese Beef Safeguard Monitor, JFY 2010 – JFY 2011 YTD

Unit: Metric Ton (Customs Clearance Basis)					
JFY 2010 (April 2010 – March 2011)					
Chilled Beef	**Trigger Level**	**Cum. Total**			
	Quarterly Cum.	**Actual Entry**	**April**	**May**	**June**
I (Apr. - Jun.)	**74,339**	**55,914**	20,756	16,728	18,430
			July	August	September
I - II (Apr. - Sept.)	**152,455**	**112,471**	19,852	19,673	17,032
			October	November	December
II - III (Apr. - Dec.)	**230,642**	**164,813**	15,991	18,162	18,189
			January	February	March
III - IV (Apr. - Mar.)	**292,354**	**213,629**	13,216	14,728	20,872
Frozen Beef	**Trigger Level**	**Cum. Total**			
	Quarterly Cum.	**Actual Entry**	**April**	**May**	**June**
I (Apr. - Jun.)	**75,072**	**67,636**	23,470	19,306	24,860
			July	August	September
I - II (Apr. - Sept.)	**160,040**	**149,982**	23,099	25,217	34,030
			October	November	December
II - III (Apr. - Dec.)	**246,871**	**226,039**	17,063	31,776	27,218
			January	February	March
III - IV (Apr. - Mar.)	**323,924**	**292,303**	22,545	21,651	22,068
JFY 2011 (April 2011 – March 2012)					
Chilled Beef	**Trigger Level**	**Cum. Total**			
	Quarterly Cum.	**Actual Entry**	**April**	**May**	**June**
I (Apr. - Jun.)	**74,339**	**55,274**	18,596	17,148	19,530
			July	August	September

I - II (Apr. - Sept.)	**152,456**	**55,274**			
			October	November	December
II - III (Apr. - Dec.)	**230,642**	**55,274**			
			January	February	March
III - IV (Apr. - Mar.)	**292,355**	**55,274**			
Frozen Beef	**Trigger Level**	**Cum. Total**			
	Quarterly Cum.	**Actual Entry**	**April**	**May**	**June**
I (Apr. - Jun.)	**79,135**	**68,169**	29,419	22,829	15,921
			July	August	September
I - II (Apr. - Sept.)	**175,480**	**68,169**			
			October	November	December
II - III (Apr. - Dec.)	**264,467**	**68,169**			
			January	February	March
III - IV (Apr. - Mar.)	**341,996**	**68,169**			
Source: Ministry of Finance					
Note: For JFY 2006 - JFY 2010 beef SG trigger levels, the levels are determined based on a special measure by GOJ as per our voluntary report.					

II-b): Japanese Pork Safeguard Monitor, JFY 2009 – JFY 2011 YTD

			Unit: Metric Ton (Customs Clearance Basis)		
JFY 2009 (April 2009 – March 2010)					
	Trigger Level	**Cum. Total**			
	Quarterly Cum.	**Actual Entry**	April	May	June
I (Apr. - Jun.)	**233,663**	**172,956**	59,527	56,592	56,837
			July	August	September
I - II (Apr. - Sept.)	**448,131**	**324,982**	57,549	48,164	46,313
			October	November	December
II - III (Apr. - Dec.)	**666,791**	**480,348**	50,686	48,084	56,596
			January	February	March
III - IV (Apr. - Mar.)	**871,699**	**638,968**	52,220	47,701	58,699
JFY 2010 (April 2010 – March 2011)					
	Trigger Level	**Cum. Total**			
	Quarterly Cum.	**Actual Entry**	April	May	June
I (Apr. - Jun.)	**224,488**	**198,319**	66,192	60,274	71,853
			July	August	September
I - II (Apr. - Sept.)	**434,398**	**376,577**	65,680	61,408	51,170
			October	November	December
II - III (Apr. - Dec.)	**645,081**	**539,862**	51,964	55,805	55,516
			January	February	March
III - IV (Apr. - Mar.)	**839,812**	**714,658**	53,936	58,265	62,595
JFY 2011 (April 2011 – March 2012)					
	Trigger Level	**Cum. Total**			
	Quarterly Cum.	**Actual Entry**	April	May	June
I (Apr. - Jun.)	**228,878**	**192,076**	67,802	59,008	65,266

			July	August	September
I - II (Apr. - Sept..)	**437,636**	**192,076**			
			October	November	December
II - III (Apr. - Dec.)	**641,388**	**192,076**			
			January	February	March
III - IV (Apr. - Mar.)	**838,343**	**192,076**			
Source: Ministry of Finance					

III-a): Monthly Ending Beef Stocks, Frozen, CY 2007 – 2011 YTD

Unit: Metric Ton (Carcass Equivalent)

	2007	2008	2009	% Chg.	2010	% Chg.	2011	% Chg.
Jan.	106,942	101,830	114,384	12%	109,507	-4%	121,460	11%
Feb.	104,017	100,194	115,133	15%	101,847	-12%	115,384	13%
Mar.	106,968	101,938	110,956	9%	96,699	-13%	120,288	24%
Apr.	103,488	98,662	101,165	3%	99,306	-2%	114,618	15%
May	108,269	103,544	101,452	-2%	102,899	1%	117,349	14%
Jun.	112,503	104,682	108,608	4%	108,482	-0%	128,628	19%
Jul.	113,320	112,221	117,881	5%	114,444	-3%		
Aug.	113,883	116,736	120,725	3%	124,660	3%		
Sept..	112,468	122,966	122,319	-1%	128,486	5%		
Oct.	108,665	123,063	122,452	-0%	124,109	1%		
Nov.	106,582	120,012	124,414	4%	128,394	3%		
Dec.	110,641	116,134	119,342	3%	128,677	8%		

Source: ALIC Monthly Statistics

III-b): Monthly Ending Pork Stocks, Frozen, CY 2007 – 2011 YTD

Unit: Metric Ton (Carcass Equivalent)

Month/Year	2007	2008	2009	% Chg.	2010	% Chg.	2011	% Chg.
Jan.	229,237	215,210	242,187	13%	222,352	-8%	221,793	-0%
Feb.	243,250	213,395	247,941	16%	218,429	-12%	229,346	5%
Mar.	240,609	221,711	252,377	14%	223,313	-12%	226,091	1%
Apr.	236,846	238,494	256,396	8%	227,208	-11%	225,358	-1%
May	251,245	250,532	265,288	6%	240,895	-9%	233,488	-3%
Jun.	244,873	242,774	268,905	11%	261,197	-3%	235,265	-10%
Jul.	242,336	234,295	261,222	11%	269,677	3%		
Aug.	244,132	240,890	248,970	3%	270,292	9%		
Sept..	232,467	240,707	237,154	-1%	258,098	9%		
Oct.	226,330	240,872	228,019	-5%	242,017	6%		
Nov.	211,637	232,638	222,256	-4%	227,482	2%		
Dec.	207,802	237,377	217,071	-9%	218,404	1%		

Source: ALIC Monthly Statistics

IV-a): Average Wholesale Price of Domestic Medium Graded Beef Steer Carcass by Breed, CY 2008 – 2009 (Quarterly), Tokyo Market

Unit: JP Yen/Kg.

WAGYU STEER A-3 GRADE

Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	1,807	1,639	1,577	1,575	1,650
2009	1,542	1,529	1,462	1,535	1,517
%chg	-15%	-7%	-7%	-3%	-8%
2010	1,460	1,469	1,479	1,549	1,489

%chg	-5%	-4%	1%	1%	-2%
2011	1,530	1,440			
%chg	5%	-2%			
WAGYU STEER A-2 GRADE					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	1,539	1,339	1,265	1,197	1,335
2009	1,267	1,302	1,196	1,202	1,242
%chg	-18%	-3%	-5%	0%	-7%
2010	1,223	1,291	1,300	1,351	1,291
%chg	-4%	-1%	9%	12%	4%
2011	1,362	1,260			
%chg	11%	-2%			
Holstein Steer B-2 Grade					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	768	801	728	788	771
2009	807	763	736	754	765
%chg	5%	-5%	1%	-4%	-1%
2010	697	685	635	648	666
%chg	-14%	-10%	-14%	-14%	-13%
2011	652	648			
%chg	-6%	-5%			
F1 Cross Breed Steer B-3 GRADE					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	1,287	1,256	1,211	1,238	1,252
2009	1,140	1,138	1,117	1,151	1,140
%chg	-11%	-9%	-8%	-7%	-9%
2010	1,156	1,149	1,150	1,274	1,173
%chg	1%	1%	3%	11%	3%
2011	1,202	1,182			
%chg	4%	3%			
F1 Cross Breed Steer B-2 GRADE					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	1,085	1,064	977	956	1,020
2009	949	970	885	902	927
%chg	-13%	-9%	-9%	-6%	-9%
2010	929	1,031	1,000	1,144	1,026
%chg	-2%	6%	13%	27%	11%
2011	1,112	1,076			
%chg	20%	4%			
Source: ALIC Monthly					
Note: Quarterly average is compiled by post based on monthly publicized ALIC data and 2011 data are still preliminary.					

IV-b): Average Wholesale Price of Imported Beef, Selected Chilled Cuts, CY 2008 – 2011 (Quarterly)

					Unit: JP Yen per Kg.
Full Set, Aussie Beef, Chilled, (Short Grain Fed)					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	1,017	1,004	971	876	967
2009	730	746	755	743	744
%chg	-28%	-26%	-22%	-15%	-23%
2010	756	786	715	768	756
%chg	4%	5%	-5%	3%	2%
2011	842	803			
%chg	11%	2%			
Full Set, Aussie Beef, Chilled, (Grass Fed)					

Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	856	771	846	739	803
2009	638	630	648	677	648
%chg	-25%	-18%	-23%	-8%	-19%
2010	719	688	637	694	684
%chg	13%	9%	-2%	3%	6%
2011	767	703			
%chg	7%	2%			
Navel-end Brisket, Aussie Beef, Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	652	598	728	622	650
2009	573	640	604	576	598
%chg	-12%	7%	-17%	-7%	-8%
2010	597	552	548	556	563
%chg	4%	-14%	-9%	-3%	-6%
2011	586	552			
%chg	-2%	0%			
Strip Loin, Aussie Beef, Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	1,452	1,175	1,248	980	1,214
2009	1,042	989	1,068	1,078	1,044
%chg	-28%	-16%	-14%	10%	-14%
2010	1,317	1,158	975	981	1,108
%chg	26%	17%	-9%	-9%	6%
2011	1,148	1,008			
%chg	-13%	-13%			
Chuck Rib, US Beef, Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	1,473	1,487	1,419	1,342	1,430
2009	1,291	1,289	1,116	1,007	1,176
%chg	-12%	-13%	-21%	-25%	-18%
2010	1,024	1,186	1,139	1,053	1,101
%chg	-21%	-8%	2%	5%	-6%
2011	1,087	1,111			
%chg	6%	-6%			
Chuck Eye, US Beef, Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	915	876	887	896	894
2009	799	732	703	725	740
%chg	-13%	-16%	-21%	-19%	-17%
2010	743	758	718	755	743
%chg	-7%	4%	2%	4%	1%
2011	814	739			
%chg	10%	-3%			
Source: ALIC Monthly					
Note: Quarterly average is compiled by post based on monthly publicized ALIC data and 2011 data are still preliminary.					

IV-c): Average Wholesale Price of Imported Beef, Selected Frozen Cuts, CY 2008 – 2011 Quarterly)

					Unit: JP Yen per Kg.
Chuck & Blade, Aussie Beef, Frozen					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	559	575	643	531	577
2009	473	458	469	478	470
%chg	-15%	-20%	-27%	-10%	-19%
2010	485	530	522	539	519

%chg	2%	16%	11%	13%	11%
2011	583	582			
%chg	20%	10%			
Top Side, Aussie Beef, Frozen					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	675	675	730	656	684
2009	538	542	569	581	557
%chg	-20%	-20%	-22%	-11%	-18%
2010	572	577	563	595	577
%chg	6%	7%	-1%	2%	3%
2011	662	633			
%chg	16%	10%			
Trimming, Aussie Beef, Frozen					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	446	517	608	464	509
2009	385	396	391	376	387
%chg	-14%	-23%	-36%	-19%	-24%
2010	398	452	431	441	431
%chg	3%	14%	10%	17%	11%
2011	493	478			
%chg	24%	6%			
Source: ALIC Monthly					
Note: Quarterly average is compiled by post based on monthly publicized ALIC data and 2011 data are still preliminary.					

V-a): Average Wholesale Price of Domestic Pork Carcass, CY 2008 – 2011 (Quarterly), Tokyo Market

					Unit: Yen per Kg.
Excellent Grade					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	532	571	559	428	522
2009	409	471	414	417	428
% Chg	-23%	-17%	-26%	-3%	-18%
2010	419	485	495	446	461
% Chg	3%	3%	20%	7%	8%
2011	466	506			
% Chg	11%	4%			
Medium Grade					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	499	549	521	397	492
2009	380	444	380	377	395
% Chg	-24%	-19%	-27%	-5%	-20%
2010	371	444	446	405	417
% Chg	-2%	-0%	17%	8%	5%
2011	425	475			
% Chg	14%	7%			
Source: ALIC Monthly					
Note: Quarterly average is compiled by post based on monthly publicized ALIC data and 2011 data are still preliminary.					

V-b): Average Wholesale Price of Domestic Pork Cuts, CY 2008 – 2011 (Quarterly)

Unit: JPY per Kg.

Full set: Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	736	795	805	620	739
2009	599	651	608	584	610
%chg	-19%	-18%	-25%	-6%	-17%
2010	606	669	716	640	658
%chg	1%	3%	18%	10%	8%
2011	685	729			
%chg	13%	9%			

Picnic: Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	564	630	630	495	580
2009	448	480	439	408	444
%chg	-21%	-24%	-30%	-18%	-24%
2010	422	483	494	454	463
%chg	-6%	1%	13%	11%	4%
2011	498	550			
%chg	18%	14%			

Shoulder Loin: Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	969	999	1,031	848	962
2009	785	822	779	796	795
%chg	-19%	-18%	-24%	-6%	-17%
2010	781	823	892	874	842
%chg	-1%	0%	15%	10%	6%
2011	874	875			
%chg	12%	6%			

Loin: Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	1,018	1,042	1,073	872	1,001
2009	826	887	837	829	845
%chg	-19%	-15%	-22%	-5%	-16%
2010	812	879	951	906	887
%chg	-2%	-1%	14%	9%	5%
2011	917	915			
%chg	13%	4%			

Tender Loin: Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	1,148	1,194	1,215	986	1,136
2009	968	1,032	971	931	975
%chg	-16%	-14%	-20%	-6%	-14%
2010	934	975	997	932	959
%chg	-4%	-5%	3%	0%	-2%
2011	963	996			
%chg	3%	2%			

Belly: Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	924	932	930	780	891
2009	743	752	694	741	733
%chg	-20%	-19%	-25%	-5%	-18%
2010	763	786	815	861	806
%chg	3%	4%	17%	16%	10%
2011	878	868			
%chg	15%	10%			

Ham: Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	594	657	652	518	605

2009	478	519	474	437	477
%chg	-20%	-21%	-27%	-16%	-21%
2010	449	519	524	479	493
%chg	-6%	-0%	11%	9%	3%
2011	516	569			
%chg	15%	10%			
Source: ALIC Monthly					
Note: Quarterly average is compiled by post based on monthly publicized ALIC data and 2011 data are still preliminary.					

V-c): Average Wholesale Price of Imported Pork, Selected Chilled Cuts (Quarterly)

					Unit: JP Yen per Kg.
Loin, US: Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	626	622	643	625	629
2009	621	605	610	607	611
%chg	-1%	-3%	-5%	-3%	-3%
2010	611	596	604	599	603
%chg	-2%	-1%	-1%	-1%	-1%
2011	601	597			
%chg	-2%	0%			
Loin, Canada: Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	656	650	671	650	657
2009	631	617	624	625	624
%chg	-4%	-5%	-7%	-4%	-5%
2010	621	614	622	617	618
%chg	-2%	-1%	-0%	-1%	-1%
2011	620	618			
%chg	-0%	1%			
Tender Loin, US: Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	745	751	852	763	778
2009	736	724	711	698	717
%chg	-1%	-4%	-17%	-9%	-8%
2010	696	697	689	687	692
%chg	-5%	-4%	-3%	-2%	-3%
2011	689	692			
%chg	-1%	-1%			
Tender Loin, Canada: Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	846	845	884	841	854
2009	796	787	769	776	782
%chg	-6%	-7%	-13%	-8%	-8%
2010	766	767	775	777	771
%chg	-4%	-3%	1%	0%	-1%
2011	781	774			
%chg	2%	1%			
Shoulder Loin, US: Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	652	648	661	643	651
2009	631	617	624	625	624
%chg	-3%	-5%	-6%	-3%	-4%
2010	621	612	621	623	619
%chg	-2%	-1%	-0%	-0%	-1%
2011	619	632			

%chg	-0%	3%			
Shoulder Loin, Canada: Chilled					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	683	676	698	673	682
2009	648	649	647	645	647
%chg	-5%	-4%	-7%	-4%	-5%
2010	638	635	641	644	640
%chg	-1%	-2%	-1%	-0%	-1%
2011	642	654			
%chg	1%	3%			
Source: ALIC Monthly					
Note: Quarterly average is compiled by post based on monthly publicized ALIC data and 2011 data are still preliminary.					

V-d): Average Wholesale Price of Imported Pork, Selected Chilled Cuts (Quarterly)

					Unit: JP Yen per Kg.
Loin, Canada: Frozen					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	592	595	612	621	605
2009	587	576	510	478	538
%chg	-1%	-3%	-17%	-23%	-11%
2010	476	541	532	544	523
%chg	-19%	-6%	4%	14%	-3%
2011	521	526			
%chg	9%	-3%			
Loin, Denmark: Frozen					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	629	634	649	662	644
2009	653	647	640	632	643
%chg	4%	2%	-1%	-4%	-0%
2010	664	676	687	687	679
%chg	2%	5%	7%	9%	6%
2011	616	678			
%chg	-7%	0%			
Tender Loin, US: Frozen					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	690	673	672	678	678
2009	660	659	653	643	654
%chg	-4%	-2%	-3%	-5%	-4%
2010	632	630	632	638	633
%chg	-4%	-4%	-3%	-1%	-3%

2011	622	643			
%chg	-1%	2%			
Tender Loin, Canada: Frozen					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	724	722	706	725	719
2009	708	702	680	677	692
%chg	-2%	-3%	-4%	-7%	-4%
2010	664	667	660	658	662
%chg	-6%	-5%	-3%	-3%	-4%
2011	649	670	0	0	330
%chg	-2%	0%	-100%	-100%	-50%
Tender Loin, Denmark: Frozen					
Year/Month	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Ave.
2008	696	691	687	692	692
2009	753	744	721	701	730
%chg	8%	8%	5%	1%	6%
2010	697	730	726	706	715
%chg	-7%	-2%	1%	1%	-2%
2011	698	715			
%chg	0%	-2%			
Source: ALIC Monthly					
Note: Quarterly average is compiled by post based on monthly publicized ALIC data and 2011 data are still preliminary.					

VI: Japanese Year Beginning Cattle and Swine Inventory

Historic Series of Japanese Cattle Inventory									
	2007	2008	%chg	2009	%chg	2010	%chg	2011	%chg
Number of Beef Cattle Farms (1,000 farms)	82.3	80.4	-2%	77.3	-4%	74.4	-4%	69.6	-6%
Beef Cattle (Wagyu and Other) (1,000 heads)	1,742	1,823	5%	1,889	4%	1,924	2%	1,868	-3%
Dairy Cattle for Beef (1,000 heads)	460	431	-6%	431	0%	421	-2%	412	-2%
F-1 Cross Bred Cattle (1,000 heads)	604	636	5%	636	0%	547	-14%	483	-12%
'Sub Total Dairy & F-1 Cattle for Beef (1,000 heads)	1,064	1,067	0%	1,067	0%	968	-9%	895	-8%
Total Beef Cattle Raised (1,000 heads)	2,806	2,890	3%	2,956	2%	2,892	-2%	2,763	-4%
Number of Dairy Cattle Farms (Female) (1,000 farms)	25.4	24.4	-4%	23.1	-5%	21.9	-5%	21.0	-4%
Total Dairy Cow and Heifer Raised (1,000 heads)	1,592	1,533	-4%	1,500	-2%	1,484	-1%	1,467	-1%
Total Cattle Raised (1,000 heads)	**4,398**	**4,423**	**1%**	**4,456**	**1%**	**4,376**	**-2%**	**4,230**	**-3%**
Historic Series of Japanese Swine Inventory									
	2007	2008	%chg	2009	%chg	2010	%chg	2011	%chg
Number of Swine Farms (1,000 farms)	7.6	7.2	-5%	6.9	-4%	N.A.		6.0	
Number of Hogs Raised for Fattening (1,000 heads)	8,119	8,117	0%	8,220	1%	N.A.		8,186	
Total Swine Raised (1,000 heads)	9,759	9,745	0%	9,899	2%	N.A.		9,768	
Source: MAFF Livestock Statistics									
Due to Agriculture Census conducted every five year, 2010 national swine inventory data were not announced.									